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NEWSPAPER

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The Weekly Newspaper of the Food-Service Industry

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BK revives old themes in new ads

By Marilyn Alva

MIAMI — Resurrecting advertising elements that worked well in the distant past, Burger King's sorely needed new advertising campaign debuts this week on national television with the theme "We Do It Like You'd Do It."

It comes five months after switching advertising agencies, more than two years after introducing Herb the Nerd, and a year after "Best Food for Fast Times" commercials, which did nothing to lift unit sales that have been flat since 1985.

The new campaign by N.W. Ayer Inc. in New York signals a return to the flame-broiling years of the early 1980s, when Burger King's broiling-vs.-frying commercials directed at McDonald's contributed to impressive sales growth and earnings.

Pillsbury mulls Godfather's divestiture

Plans to invest heavily in Burger King, Bennigan's, and Steak and Ale concepts.

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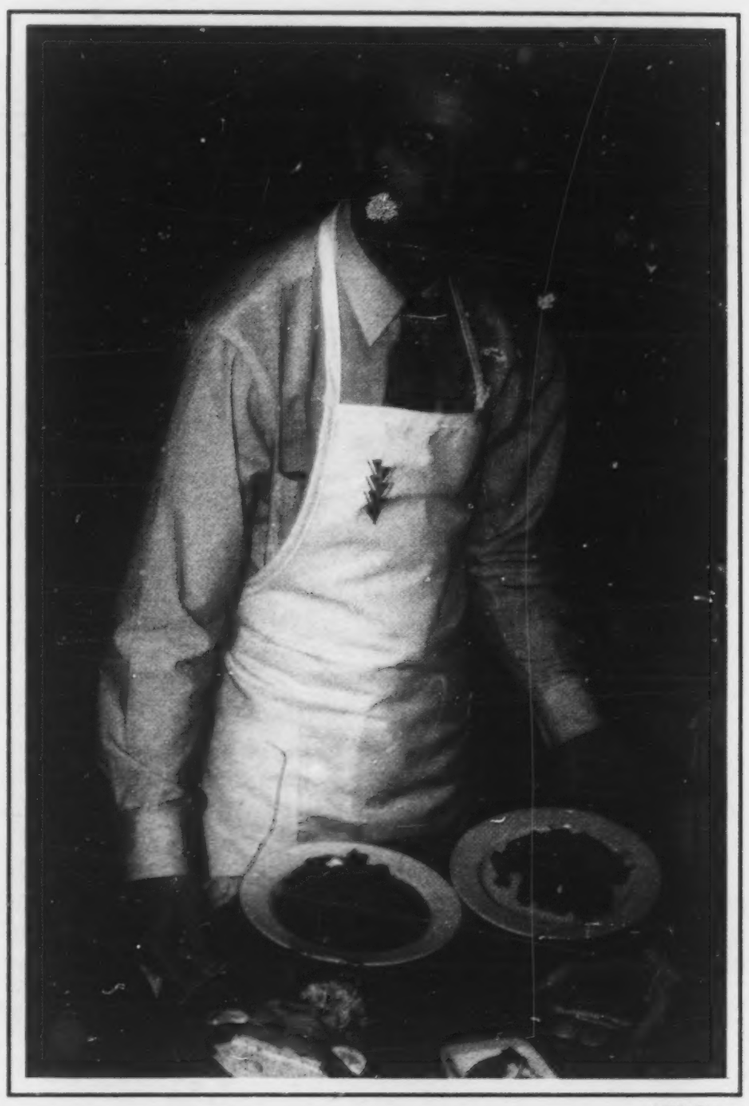
It also intentionally incorporates an advertising message that was created for the chain back in 1974—from the popular "Have It Your Way" campaign—by stressing that it makes burgers the way people would if they were to make burgers at home on their backyard barbecues.

Burger King said the overall strategy of the campaign is to stress the superiority of the chain's most popular product —the flame-broiled burger. Chain executives said they directed the new agency to create a campaign that linked taste, flame-broiling, and the 14-year-old "Have It Your Way" concept.

"It is getting back to basics, getting

*(See **BURGER KING**, page 20)*



NRN Photo

Prairie waiter displays Sheboygan sausage, trout, wild mushrooms, and game loaf.

Food flap

New Heartland cuisine splits Midwest operators

By Carolyn Walkup

As a growing number of fine-dining restaurants begin promoting Midwestern food as an emerging culinary genre, a debate over its authenticity is heating up.

Throughout the nation's heartland, restaurants promoting the Midwest as a theme include Richard Perry in St. Louis; Peter's in Indianapolis; The Immigrant in Kohler, Wis.; and Tapawingo in Ellsworth, Mich.

The newest restaurant to promote Midwestern cuisine is Prairie, owned by the Chicago Dining Authority in Chicago.

Dan Rosenthal, the industry veteran who heads the Chicago Dining Authority, asserts it is time to establish Midwestern cuisine as the next major trend, rather than to expand the cooking style of California.

But other owners of new American restaurants are reluctant to narrow their scope to Midwestern food.

For instance, Michael Foley of Printer's Row and Foley's in Chicago stated adamantly: "We don't do Midwest cuisine. We cook for the taste of the season in the Midwest."

"I am not looking to jump on a Midwest cuisine bandwagon. It's just a means of building business and the next hype," said Foley, whose flagship restaurant, Printer's Row, is located one block from Prairie.

"I'm looking to build a high-caliber food-and-beverage service and a pleasant, straightforward approach to eating contemporary foods. I'm not looking to be a trendy

*(See **MIDWEST**, page 106)*

Bommarito named IFMA Silver-Plated independent

By Charles Bernstein

CHICAGO — Vincent Bommarito, the St. Louis entrepreneur who took over Tony's neighborhood spaghetti house in 1949 at age 18 after his father died, has been voted the International Food Service Manufacturers Association's 1988 Silver Plate Independent Operator of the Year.

He was selected in balloting at the O'Hare Westin here from a formidable field of 16 contenders in this first of nine categories. The candidates included leading single-unit operators and renowned multi-unit group independents.

Bommarito has fashioned Tony's, a 1984 Nation's Restaurant News Fine Dining Hall of Fame winner, into an Italian cuisine leader.

He was a sentimental, as well as artistic, favorite here because of the heroic struggle he is waging to save his restaurant from the threatened construction encroachments of the St. Louis Convention Center.

Bommarito was one of five prime contenders who appeared to emerge from the voting of food-service publication chief editors and last year's Silver Plate winners for

*(See **IFMA**, page 106)*

Church's gets religion: Back to basics

By Rick Van Warner

SAN ANTONIO — Battling to reverse more than two years of plunging sales, Church's Fried Chicken Inc. is simplifying store procedures, restructuring operations management, and honing its image as a low-price fast feeder.

After purging its menu of products that bogged down operations and lowered menu prices by about 2 percent, the 1,500-unit chicken operator is once again focusing on its blue-collar customer base.

"We're America's low-cost, take-out chicken chain," said Wallace Winslow, vice president of marketing. "We're continuing to drive home our two big advantages—low prices and large portions."

In recent years Church's lost sight of its original niche by positioning itself directly against segment leader Kentucky Fried Chicken. But after several quarters of dismal results, the nation's second-largest chicken chain is now fighting to regain dominance in the inner-city and blue-collar markets where it once reigned supreme.

Spearheading recent efforts is a new 8-ounce "Chicken Big" sandwich that sells for 99 cents and an advertising campaign with the tag line "big pieces, little prices." In addi-

*(See **CHURCH'S**, page 102)*

FOOD WATCH

Seafood brochettes: Sizzle on a skewer

HOUSTON — Seafood brochettes are scoring points when they serve as appetizers at several casual dinner houses around town.

The Ruggles Grill on Westheimer adds a Southwestern twist to its grilled brochettes of shrimp and jalapeño pepper slices wrapped in thinly pounded slices of chicken breast and bacon. They are served with a beurre blanc sauce and sides of pico de gallo and guacamole. "I sell a ton of them," said chef-owner Bruce Molzan.

Brochettes containing large shrimp and an oyster wrapped in crisp bacon are served at Willie G's on Post Oak Boulevard, the two Landry's restaurants, and Glatzmaier's on Montrose Boulevard. Glatzmaier's variation is oven baked with honey-mustard sauce on the side.

Willie G's and Landry's—which share the same ownership—also combine shrimp with scallops. The brochettes are grilled over mesquite and charcoal and are accompanied by cocktail and tartar sauces and lemon slices. Servers at both Willie G's and Landry's suggest brochettes as "specials."

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NEWS DIGEST

Foodmaker agrees to buy Chi-Chi's in surprise deal

SAN DIEGO — In a startling move, Foodmaker Inc., parent of the 900-unit Jack in the Box burger chain, has signed a definitive agreement to acquire Chi-Chi's Inc., the Mexican dinner house operator, for $230 million in cash.

Although Chi-Chi's has been stalked in recent months by several concerns, including leveraged-buyout specialist Levine, Tessler Leichtman & Co., Foodmaker was not identified as one of the suitors. Earlier offers were not all cash.

Foodmaker said it would retain Chi-Chi's current management and would allow the Mexican chain to remain in Louisville, Ky.

Pepsi erases fountain division in restructuring drive

SOMERS, N.Y. — Pepsi-Cola Co. has erased its fountain beverage division, transferring responsibility for supplying restaurants and other fountain customers to four new regional offices.

As part of the reorganization, "cutbacks are being examined, a spokesman said. However, Pepsi-Cola denied reports that as many as 500 jobs have been or will be eliminated, claiming the number was "excessive."

John M. Cranor, former fountain beverage division president, was reassigned to head one of the four new regional divisions.

Arby's inks pact to license cookie concept nationwide

ATLANTA — Arby's has inked a joint venture agreement with Cedar Rapids, Iowa-based Flour Pot Cookies, whereby the roast beef chain will be franchisor of the gourmet cookie concept nationwide.

The 1,880-unit chain also expanded to 12 restaurants its test of selling Flour Pot cookies, ice cream, and muffins through in-store satellite stations.

Flour Pot Gourmet Foods, the venture company, will franchise outlets for a variety of locations, including strip centers, mall food courts, hospitals, and convenience stores.

Aside from the 12 Arby's restaurants, Flour Pot Cookies has 12 locations nationwide.

Pritzkers mull acquisition, restructuring of Ramada

RAMADA — Chicago's Pritzker family, owners and operators of Hyatt Hotels, said it had met with unidentified third parties to discuss a possible acquisition or restructuring of Ramada Inc., parent of Ramada Inns and the Marie Callendar's coffee shop chain.

A Pritzkers-led group is Ramada's largest stockholder, having amassed a 7.2-percent stake in recent months. The group also includes Dalfort Corp. of Dallas and Genesis Group L.P. and Equity Growth Partners, both of Chicago.

The Pritzkers would not disclose the identities of those third parties with which it has met. The clan noted that it was also discussing a purchase or restructuring of Ramada with Dalfort, Genesis and Equity.

NYC considers plan to ban disposable utensils, dishes

NEW YORK — The City Council has held public hearings on a proposal to ban the use of disposable plates, utensils, and cups in restaurants here.

New York State Restaurant Association president Fred G. Sampson sharply criticized the bill during the hearings. He warned that many small neighborhood-type places would die "because they do not have the space or financial resources to use permanent-type eating utensils."

It was not clear whether the proposal would cover disposables included in take-out orders.

Wash. operators mount effort to temper wage hike

SEATTLE — Industry leaders here are attempting to rouse operators into voicing their concerns about a seemingly inevitable increase in the state minimum wage.

Both the state House and Senate have passed increases. The Restaurant Association of the state of Washington supports the Senate measure, with sets the hourly wage ceiling at $3.35. The House version calls for an increase to $4.70.

The association is striving to have meal and tip credits incorporated into whatever version of the proposal is signed into law.

S&A negotiating Bay Street sale to management group

DALLAS — S&A Restaurant Corp. is negotiating a sale of its 16-unit Bay Street seafood dinner house chain to a management group led by senior vice president Alan Palmieri.

S&A put its Bay Street chain on the block last November as part of a streamlining effort by its parent, Pillsbury Co. The conglomerate is also contemplating a sale of its 600-unit Godfather's Pizza chain.

"We've great hopes for their success," Lane Cardwell, S&A's senior vice president of strategic planning, said of the Bay Street management group's buyout effort.

Shire returns to Boston to open own restaurant

BOSTON — Chef Lydia Shire, who left the renowned Seasons restaurant here two years ago to become executive chef of the Four Seasons hotel in Los Angeles, has returned to this city to open her own restaurant.

The as-yet-unnamed establishment is scheduled to open later this year.

KFC tests new sandwich in latest lunch trial

LOS ANGELES — A company-operated Kentucky Fried Chicken unit here is testing a new sandwich called Chicken on a Bun—a chicken fillet served on a sesame-seeded roll.

The chain appears to be assessing the feasibility of the sandwich as a new weapon in its effort to raise lunch sales.

Wendy's gets a break, pulls into black

DUBLIN, Ohio — A $15.6 million tax break pulled Wendy's International Inc. out of the red last year.

The tax benefit helped Wendy's post net income of $4.5 million for the year ended Jan. 3, 1988, despite a $12 million operating loss. The profits of 1987 followed a $5 million net loss in 1986 on operating income of $11.3 million.

The tax breaks stemmed from the sale of company assets, including its Sisters chicken-and-biscuits chain, in the United States and West Germany.

Revenues were $1.1 billion, down 7.1 percent from prior-year results.

Average sales per unit totaled $741,000, up 1.7 percent over the 1986 figure on a 3-percent increase in company-store menu prices during the fourth quarter.

Systemwide sales for 1987 rose 4.4 percent, with a 2.4-percent increase in the number of units in operation last year.

"I am particularly pleased that the programs we began in 1987 are starting to produce favorable sales trends," Robert Barney, chairman and chief executive, said in a statement.

Wendy's said last year's "favorable tax treatment" offset write-offs stemming from the installation of Superbars at 1,050 company stores at a cost of more than $30,000 each.

The buffet helped buoy sales at company units by 3 percent in real terms for the fourth quarter of 1987, Wendy's said.

California wage fight moves to legislature

By Alan Liddle

SACRAMENTO, Calif. — Food-service lobbyists here are gearing up for a battle over the minimum wage as the fight moves from a state agency to the legislature.

Proposed legislation eliminating an exemption for tipped employees under California's new $4.25-an-hour minimum-wage guidelines has prompted the state restaurant association to devise an "on-call" defense.

According to California Restaurant Association officials, the organization has created a "task force" of prominent members who could make it to the Capitol within minutes to testify at public hearings on the bill should any be called on short notice.

The 'task force' could appear to testify within minutes should the bill be called.

The battle in California comes at a time when passage of a raise in the federal minimum wage seems increasingly certain. As a political strategy, the National Restaurant Association is seeking a complete exemption from minimum wage requirements if employees can earn the pay floor in tips.

The California exemption in question would permit restaurateurs to pay some student workers, learners, and employees receiving $60 or more per month in tips a subminimum wage of $3.50 an hour when the new $4.25 standard takes effect July 1. Loss of the exemption would mean a prohibitive increase in payroll expenses for operators, CRA officers maintain.

The CRA lobbied diligently for the tipped-employee exemption approved by the state's Industrial Welfare Commission late last year. Industry leaders testified at commission hearings that without the exemption, the increased expenses could force operators to cut back on employee hours, hike menu prices, raise employee contributions to health plans, or rely on a combination of those measures.

'On-call' task force made ready

Jo-Linda Thompson, CRA director of legislative affairs, said the legislation calling for elimination of the tipped-worker exemption, Assembly Bill 1187, had already cleared the floor of both houses.

"It's ready to jump on us," she warned.

If normal procedures are followed, Thompson said, the bill would be reconsidered by the Senate Industrial Relations Committee and then returned to the Assembly floor for further scrutiny before enactment. That should happen because Assemblyman Dick Floyd created the measure by heavily modifying an earlier proposal.

However, Thompson cautioned, because of loopholes in the legislative process, it is difficult to tell where, or if, the bill will surface before enactment.

"We have urged every restaurateur to contact his or her state senator immediately to express opposition to the bill," Thompson said.

Because there is a chance public hearings could be called on the matter, though Thompson said none had been scheduled as of Feb. 16, the CRA created its task force of Sacramento-area operators.

Task force members include CRA president Eppie Johnson of Eppie's Restaurants; Mike and George Dariotis of the Old Spaghetti Factory; Lena Fat of California Fat's and other Fat Family Restaurants; George Potiris of Mr. Perry's, Perry's Original, and Kallie's restaurants; and Sam Manolakas of Bradshaw's.

Opponents of a tipped-employee exemption, including Assemblyman Floyd and organized labor, contend that existing state statutes prohibit the IWC from creating such a worker classification when the minimum wage is set. Thompson and attorneys for the hotel industry claim that those statutes do not apply.

In a related development, CRA officials reported that two recently proposed bills call for the new minimum wage to take effect as early as April 1. It was difficult to judge the support for either bill, they said, because neither had been taken up for any sort of action as of Feb. 16.

NRN Photo

A display in Chopstix offers food and souvenirs.

Chopstix: dim sum success

(Continued from page 3)

end and stations for cold food and dim sum assembly at the other.

Pass-through windows from both sections connect them to a central beverage-and-take-out station, which may eventually open out to a planned drive-thru window.

The computerized order-entry pads offer advantages of mobility and efficiency that permit a Chopstix waiter even to go "across the street to the senior citizen home and take orders room to room," remarked Bill Milham, the cafe's co-founder.

"But the really nice thing," added Milham's partner, Chin Chin veteran Brant Benun, "is we can go out to people waiting in line and take their orders."

An initial consumer response that has packed the restaurant to overflowing since its Feb. 2 debut implies that such capabilities may not go unused.

Even though long-legged stool-chairs accommodate only 20 patrons at the counter and 35 more at round, pedestal tables, the cafe's built-in service efficiencies result in rapid customer turnover and high-volume take-out capabilities.

'But the really nice thing,' added Milham's partner, Brant Benun, 'is that we can go out to people waiting in line and take their orders.'

Menu prices have been geared to extract average per-person tabs of only about $6 at lunch and $8 at dinner.

However, anticipating service of at least 500 daily covers plus an equal dollar volume in take-out and delivery, Milham and Benun expect Chopstix to generate annual sales of about $2 million and a 10-percent profit margin.

More Chopstix units planned

(Continued from page 3)

general partnership action.

Milham and Benun are currently negotiating for a second Los Angeles location, in the Sherman Oaks shopping center where a Johnny Rockets malt shop branch recently opened.

The partners intend to launch three or four more Chopstix units in the next two years, Milham said, before they decide "how long it might take to open 200."

A grazing concept

But making a return on their investment in Chopstix depends largely on good food, the two agree.

"This is considered a grazing concept," Milham said, citing the grab-bag appeal of its many small Chinese dishes and dim sum dumpling specialties, which are "inexpensive, colorful, and very appealing to the eye."

Benun believes Chopstix will become popular because its Chinese cooks are "taking their cuisine and exposing it, cooking it fresh, in front of you."

The nothing-to-hide approach even extends to the cafe's behind-the-scenes prep kitchen, which is visible from the street through a full-length picture window.

Enjoys brisk volume

Along with negligible dim sum competition in the immediate neighborhood, Chopstix enjoys the relatively brisk volume of pedestrian traffic—a rarity in car-oriented Los Angeles—that wends its way through the avant-garde boutiques of Melrose Avenue.

"We seat about 20 parties when we're full, yet we've been averaging only eight or 10 cars in our lot," Benun explained.

CORRECTIONS

"The Marketplace at Macy's," Feb. 22, Page F3, misspelled the name of a confections maker as Chocolat. In fact, it is spelled Cocolat.

"Drive-Thru-Onlys in High Gear," Jan. 11, Page F3, misidentified Ralph Moreland as president of International Short Stops Inc. of Austin, Texas. In fact, Moreland is president of Ralph Moreland Restaurants, in Austin, and the president of International Short Stops Inc. is Sam Talkington.

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FOCUS | NRN

ORLANDO ANTICIPATES GROWTH

(Continued from page F4)

new Peabody Orlando, Atlantis at the Stouffer Orlando, and La Coquina at the Hyatt Regent Grand Cypress.

Not all operators feel that hotel fine dining has encroached upon their turf. "Things are settling down," says Mark Rodriguez of the seven-year-old Jordan's Grove, a fine-dining restaurant in Maitland, featuring American specialties. "Except for La Coquina at the Grand Cypress, local residents are saving hotels for brunch."

After a major jump in 1987, Orlando's convention business is leveling off. The number of delegates is expected to reach 1.6 million in 1988, up from 1.5 million in 1987, according to William Peepers, executive director of the Orlando-Orange County Convention and Visitors Bureau. "We expect limited growth in hotels in 1988, with about 3,500 additional rooms," he notes.

The expansion of Orlando's 4-year-old Orange County Convention-Civic Center, from 325,000 square feet to 600,000 square feet, is expected to be completed by November 1988. The Ming Court, a new catering and banquet facility, is next door.

Orlando's downtown area is still underdeveloped. In 1987 office space increased 15.3 percent, to 17.5 million square feet. Lutz is opening Harvey's, a gourmet Southern restaurant, in the 425,000-square-foot duPonte Centre mixed-use complex there.

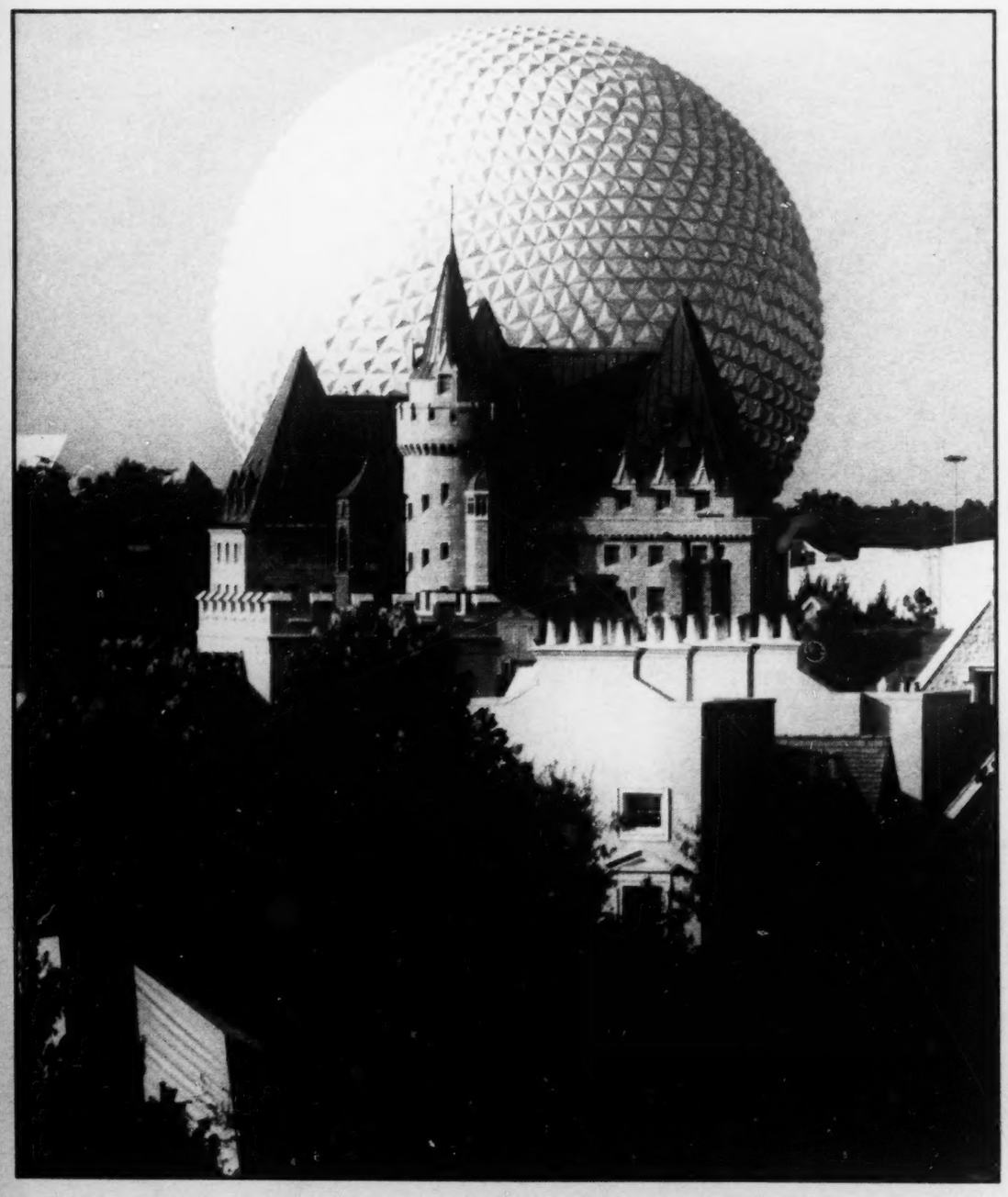
Many chain restaurant operators are beefing up their presence in Orlando. The Wilbraham, Mass.-based Friendly Ice Cream Corp. opened 18 units within the past two years, and it plans to open eight more units by 1988.

General Mills, based here, views Orlando as a development laboratory, having opened its first Italian dinner house concept, the Olive Garden, here in 1983. Orlando now has eight Olive Gardens, and the company's Restaurant Group is also headquartered here.

Finally, two new buffet concepts—Homestyle Family Buffet and Mrs. Appleton's Family Buffet—opened units here. And all the beef chains and many of the pizza chains have units here as well.

Bob Ruby, a former Ruth's Chris Steak House operator who moved here last year and opened Bob Ruby's Great Steaks in Altamonte Springs, Fla., sums up the feelings of many operators: "Nobody's getting rich now, but I'm betting on the future here."

After a major jump in 1987, Orlando's convention business is leveling off. The number of delegates is expected to reach 1.6 million in 1988, up from 1.5 million in 1987, says William Peepers.



EPCOT Center's Spaceship Earth towers above United Kingdom and Canada.

NRN Photo

Exterior shot of The Olive Garden restaurant in Winter Park, Fla.

Restaurateurs foresee rise in sales, not profits

HOLLYWOOD, Fla. — Florida restaurateurs, pleased with the prospects of big sales gains, are not so upbeat about their profits, according to a survey published by the Florida Restaurant Association.

Although 90 percent of restaurateurs surveyed are expecting sales increases in 1988, only 35 percent are looking for an increase in profits.

"The uncertain economy is having a dampening effect on profits," says M.J. Mighdoll, executive vice president of the Florida Restaurant Association here. "In addition, the effect of the new federal rules for deducting business meals has yet to be felt."

In 1988 Florida is expected to show a 9.2-percent increase in food-service sales, the second-largest gain after that of Arizona, according to a National Restaurant Association forecast.

Although the growing convention business and tourist attractions of the state, such as Disney World, are a magnet for dollars, with a concomitant spillover into restaurants, tourism accounts on average for only one-third of food-service dollars, the survey found.

This finding attests to "the significant growth of permanent residents in Florida," Mighdoll says. "Last year Florida had the greatest increase in permanent residents in the country."

Not all the restaurants responding to those demographics are themselves new: Nearly one-third of Florida's restaurants have been open between four and seven years, the report indicates.

In some parts of the state, such as Orlando, the number of restaurants exceeds the demand; in other areas, such as Dade and Broward counties, restaurants are underdeveloped, according to Mighdoll.

Florida Restaurants at a glance

(Operating norms, per restaurant)
Food costs: **35.4 percent of sales**
Labor costs: **27.8 percent of sales**
Full-time employees: **24**
Part-time employees: **25**
Hourly wage: **$4.12**

Source: Florida Restaurant Association

The "gero-market"—people who are more than 65 years of age and often live on limited incomes—is central to Florida's economy, and restaurateurs have taken note. "Thirty-five to 40 percent of full-service restaurants here offer early-bird meals," Mighdoll says. In addition, 20 percent of restaurants in all segments offer a discount for senior citizens.

At the opposite end of the age spectrum, 30 percent of the restaurants surveyed are offering children's specials.

However, it is the teen-age segment of the market, those who make up the bulk of restaurant workers, who are most elusive: "There's a general labor shortage in Florida and low unemployment; I see signs out advertising for help," Mighdoll says. The average wage is $4.12 per hour; there is no state minimum wage.

The average labor cost for a Florida restaurant is 27.8 percent; food costs are averaging 35.4 percent.

The 1988 profile was based on 536 restaurateurs representing 1,979 food-service outlets out of a total of 32,000 in Florida.